

Determinants of Coffee Farmers' Commitment to Traditional and G-32 Primary Co-operative in Hai and Moshi Districts, Tanzania

By

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Abstract

Coffee marketing through co-operative unions in Tanzania has been experiencing a lot of challenges. Because of these challenges, coffee farmers thought of alternative marketing strategies in order to benefit from the growing coffee demand through formation of G-32 as new coffee marketing societies to avail marketing channel options for farmers' choice; thus, reducing the monopoly of traditional coffee marketing societies. This study was conducted in Moshi and Hai Districts and a sample of 120 coffee farmers was selected. The purpose of the study was to assess farmers' commitment to traditional and new primary societies in terms of choice and coffee volumes sold. Results show that coffee farmers that sold coffee to traditional primary societies had lower educational level, non-coffee income, total land ownership, number of coffee trees and coffee produce as compared to G-32 primary societies' farmers. Probit model regression results revealed that farmers' formal education level, coffee price, volume of coffee produced, noncoffee income, distance to buying centres, contract type and household size significantly influenced farmers' choice of traditional societies. The Censored Tobit model showed that farmers' educational level, coffee price, non-coffee income and volume of coffee produced significantly influenced the volumes of coffee sold through traditional coffee primary societies. The study recommended revision of coffee marketing strategies such as offering of price premium to coffee farmers based on quality and quantity attributes as well payment of dividends in case the of coffee fetching higher value than the anticipated in the world market should be done.